

3-1-2010

Fiscal News, March 2010

Maine State Legislature

Office of Fiscal and Program Review

Grant T. Pennoyer

Maine State Legislature, grant.pennoyer@legislature.maine.gov

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Recommended Citation

Maine State Legislature; Office of Fiscal and Program Review; and Pennoyer, Grant T., "Fiscal News, March 2010" (2010). *Office of Fiscal and Program Review*. Paper 40.
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FISCAL NEWS

MONTHLY NEWSLETTER OF THE OFFICE OF FISCAL AND PROGRAM REVIEW

MARCH 2010

Volume 4 Number 3

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Questions or Comments regarding
specific sections contact:

Grant T. Pennoyer, Director
Office of Fiscal and
Program Review
5 State House Station
Augusta, Maine 04333-0005
Telephone: (207) 287-1635

grant.pennoyer@legislature.maine.gov

www.maine.gov/legis/ofpr/

The Office of Fiscal and Program Review (OFPR) is a nonpartisan staff office of the Legislative Council providing budget, tax and general fiscal research and analysis for the Maine State Legislature.



Month In Review

Revenue performance for both the General Fund and Highway Fund appears to have stabilized and has even shown some signs of performing better than the higher benchmarks set by the recent March 2010 revenue forecast. Through February, FY 2010 General Fund and Highway Fund revenues have exceeded the revised projections, although total collections for both funds are still below FY 2009 levels, which were already lower than FY 2008 collections by 9.0% and 1.2%, respectively.

The National Association of Attorneys General (NAAG) released very preliminary estimates of the April 2010 payments under the Tobacco Settlement, which indicate that the volume adjustment results in much lower than projected payments to the states. Maine's share may fall more than \$1 million below projections. These calculations are still subject to change until the payments are finalized and released in mid-April.

The Appropriations Committee and the Legislature concluded work on the 2010-2011 Supplemental Budget Bill that was originally designed to close a General Fund budget shortfall of \$408.4 million for the 2010-2011 biennium. A positive General Fund revenue revision (\$51.0 million), additional federal stimulus dollars through federal regulatory application of existing American Recovery and Reinvestment Act of 2009 enhanced Medicaid matching rates (\$39.8 million) and a positive movement toward approving the extension of the enhanced matching rate to the 2nd half of FY 2011 (\$85.1 million) combined to reduce the shortfall and allow a restoration of many of the reductions originally proposed by the Governor.

The State's cash position remained sufficient to avoid external borrowing for an additional month, but General Fund internal borrowing from balances in other funds reached new record highs.

The Dirigo Health Fund has repaid half of the \$25 million cash advance from the General Fund, but still has \$12.5 million to repay with only 3 months remaining until the end of the fiscal year.

MaineCare spending through 3 quarters of FY 2010 has stabilized at a weekly average almost identical to last year's. Even with the supplemental General Fund appropriations recently enacted, the Department of Health and Human Services will need to rely on maximizing the use of other state funding sources and continuing to manage utilization of MaineCare services in the face of growing MaineCare caseloads.



General Fund Revenue Update

Total General Fund Revenue - FY 2010 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	%
February	\$104.9	\$102.5	(\$2.4)	-2.3%	\$114.5	-10.5%
FYTD	\$1,547.1	\$1,553.9	\$6.8	0.4%	\$1,651.6	-5.9%

General Fund revenue was \$2.4 million (2.3%) under budget in February, but it remained over budget for the fiscal year-to-date (FYTD) by \$6.8 million (0.4%). These variances differ from the Administration's February report because these variances are based on the revised monthly distribution of the March 2010 revenue forecast.

Two major areas of concern in the current FYTD revenue performance based on the March 2010 revenue revision are Real Estate Transfer Tax collections and Inland Fisheries and Wildlife revenue. However, the negative variances from these sources

have been more than offset by strong performances in all other major categories, particularly the Corporate Income Tax.

Based on preliminary March revenue data, Corporate Income Tax revenue will exceed the revised forecast by more than \$10.5 million. Individual Income Tax refunds in March have been far below projections, which may result in a very substantial positive variance for March, but much of this is a timing issue due to an information system change-over that delayed refund processing in the last week of March.

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2010 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$24.8	\$25.0	\$0.2	0.8%	\$25.9	-3.7%
FYTD	\$184.9	\$189.5	\$4.6	2.5%	\$195.8	-3.2%

Highway Fund revenue was \$0.2 million (0.8%) over budget in February and was \$4.6 million (2.5%) over budget for the FYTD based on the March 2010 revenue forecast. Fuel Tax collections, despite the upward revision in the March forecast, have accumulated a positive variance of \$3.8 million through February.

Preliminary March data indicate that March may be under budget in the Highway Fund in both Fuel Tax collections and Motor Vehicle Registrations and Fee revenue. It is likely that March's final negative variance may erase a significant portion of the \$4.6 million cushion that had built up through February.



Cash Update

The State's average cash balances continue to be well below historical averages and General Fund internal borrowing has reached record highs at an average of \$303.2 million in February. Despite the low total cash pool balances, the State has avoided external borrowing through March. The related budgeted debt service savings were recognized in the recently enacted Supplemental Budget Bill. The State Treasurer and State Controller have been evaluating cash needs and cash flow. Preparations for external borrowing are in place to quickly use this option, when the need arises.

The Dirigo Health Fund (DHF) continued to make progress toward repaying the \$25 million General Fund cash advance. To date, DHF has repaid half,

\$12.5 million, but only has 3 months remaining to pay the remainder.

Average balances in the Federal Expenditures Fund have shown some improvement from the lowest average of -\$40.0 million in October 2009. February's negative balance improved to -\$15.5 million, which was still significantly negative and much more negative than the norm. This balance does not yet reflect the full effect of \$29.7 million of federal withholding from Medicaid match that is related to the disallowance of targeted cash management billings. The Supplemental Budget Bill includes a transfer from the General Fund to the Federal Expenditures Fund to offset this effect.

Summary of Treasurer's Cash Pool		
February Average Daily Balances		
Millions of \$'s		
	2009	2010
General Fund (GF) Total	\$1.3	\$10.0
General Fund (GF) Detail:		
Budget Stabilization Fund	\$75.2	\$0.2
Reserve for Operating Capital	\$40.6	\$0.0
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$204.5	\$303.2
Other General Fund Cash	(\$319.0)	(\$293.4)
Other Spec. Rev. - Interest to GF	\$11.4	\$4.9
Other State Funds - Interest to GF	(\$11.8)	\$10.5
Highway Fund	\$21.5	\$22.8
Other Spec. Rev. - Retaining Interest	\$45.5	\$40.6
Other State Funds	\$231.3	\$172.1
Independent Agency Funds	\$83.3	\$96.0
Total Cash Pool	\$382.6	\$356.8

Supplemental Budget Update

The 124th Legislature convened its 2nd Regular Session facing significant new General Fund shortfalls based on yet another very significant downward revision to revenue in the December 2009 forecast. The new shortfall was \$438.4 million, including \$30 million in savings that needed to be provided through the Appropriations Committee's interim work on the Initiative to Streamline State Government. After deducting the Streamlining

Savings (enacted early in the 2nd Regular Session), the original General Fund shortfall to be offset by the Governor's Supplemental Budget proposals totaled \$408.4 million. A one-page overview of the General Fund shortfall and the budget actions taken to address it is attached (see page 9). A more detailed summary is available on the Office of Fiscal and Program Review's home page at <http://www.maine.gov/legis/ofpr/> under Recent Releases.



Supplemental Budget Update (continued)

Recent Positive News

The March revenue forecast, which offset some of the budgeted revenue decline in the December 2009 revenue forecast, reduced the total shortfall by \$51 million. The Legislature also benefited from recent federal developments extending by rule the enhanced Medicaid matching rate to Medicare Part D “Clawback” payments retroactively. With the recent US Senate cloture vote on the 6-month extension of the enhanced Medicaid matching rate, the Legislature also was willing to recognize more than \$85 million in General Fund savings (although the Supplemental Budget does include some contingent language to curtail spending if Congress does not enact the extension). The General Fund savings from additional federal stimulus funds totals \$124.9 million for the 2010-2011 biennium. These savings were critical to restoring many budget cuts and helped the Appropriations Committee achieve a unanimous budget recommendation.

Local Government Funding

Although much of the additional savings/resources available from the recent good news went to restoring some of the reductions to funding for local governments originally proposed by the Governor, 21.0% of the shortfall was still addressed by reducing local funding. When compared to the total amount of General Fund revenue returned to local governments (45.5% of General Fund revenue in FY 2009 when revenue sharing is reflected as General Fund spending), the total reductions are not disproportionate. Even so, the restorations of the original reductions were a high priority for Legislators. A total of \$11 million was restored to the reductions to revenue sharing and \$26.1 million to school subsidies.

Use of Reserves and Other Fund Balances

Approximately one-quarter of the net budget savings comes from transfers of reserves and fund balances available on a one-time basis. The use of reserves and contributions for future retiree health insurance benefits at \$66.6 million for the biennium is one of the largest offsets to the shortfall. The amounts set aside for the Maine Budget Stabilization Fund will be available for offsets to the much larger budget problem that looms ahead for the 2012-2013 biennium.

MaineCare and Health and Human Services

The Governor’s original budget had proposed substantial reductions to reimbursements to providers and other rate reductions to help offset funding shortfalls within MaineCare and the total General Fund shortfall. With the new resources, the Governor recommended significant restorations in Health and Human Services funding. After netting out the General Fund savings from the additional federal stimulus, the net reductions to Health and Human Services funding account for 7.7% of the total savings/reductions.

Other Savings Initiatives

Changes in corporate income tax, some additional tax enforcement initiatives and other revenue enhancements produced a total of \$25.7 million of revenue over the 2010-2011 biennium. Debt services savings of \$14.5 million over the biennium were another significant contributor to closing the General Fund shortfall in the Supplemental Budget. Debt service savings also contributed significantly to recognizing savings required in the Streamlining Initiatives (\$16.5 million) and the Highway Fund Supplemental Budget Bill.

Reductions to funding for the public higher education institutions were also partially offset from the Governor’s original proposals. Of the \$16.4 million originally proposed for reduction, the final Supplemental Budget restored \$8.0 million in FY 2011.

2012-2013 Biennium

With General Fund revenue growth projected for the next biennium at 1.3% in FY 2012 and 4.2% in FY 2013 from a trough that has dropped General Fund revenue below FY 2005 levels, FY 2011 stimulus funding creating temporary General Fund savings of \$273.5 million and the reliance in the 2010-2011 budget on a significant amount of other one-time resources and savings, the outlook for the next Governor and the 2012-2013 biennium is very discouraging. The Office of Fiscal and Program Review will be developing estimates of the next biennium’s shortfall after the 2nd Regular Session.



MaineCare Update

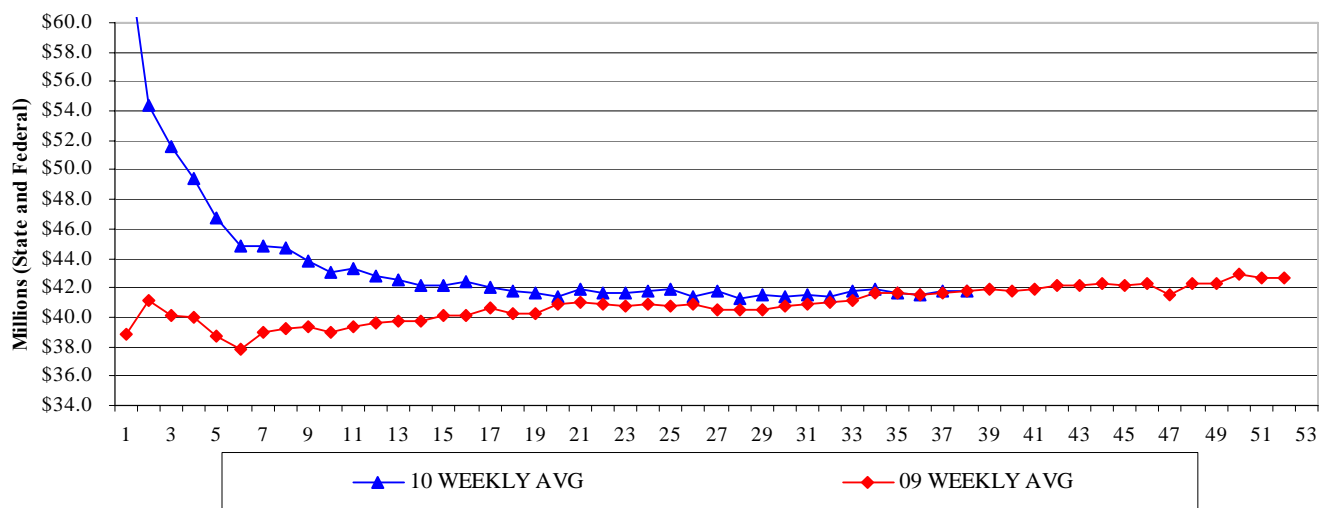
MaineCare spending through Week 38 (March 19th) has stabilized at a weekly average cycle amount of \$41.8 million (state and federal spending) – almost identical to last years weekly average through 38 weeks (see chart below). The Department requested and received additional FY 2010 MaineCare funding in LD 1671 – the 2010-2011 Supplemental Budget including: \$7.5 million to offset the impact of the Governor's FY 2010 Curtailment Order; \$6.6 million to enable an accelerated claims run-out process for the Maine Claims Management System (MeCMS) and \$1.7 million for increased costs of Medicare Part B premium payments. However, entering the final quarter of FY 2010 the balance of General Fund allotment for MaineCare programs has been limited by previous actions to move allotment forward to previous quarters of the fiscal year. Having sufficient State seed-funds to pay MaineCare cycles through the end of the this year will depend on maximizing other seed funding sources such as provider taxes (i.e., hospital, nursing facility and PNMI taxes) and Fund for a Healthy Maine allocations, and utilizing the Department's authority under P.L. 2009 c. 213, Part

SSSS to transfer funds between MaineCare and related programs by financial order. It will also depend on the Department continuing to manage the utilization of MaineCare services even in the face of continuously growing MaineCare caseloads.

The chart below summarizes weekly average MaineCare payment cycles for FY 2010 through Week 38, as well as comparable payment cycle averages for FY 2009. The FY 2010 averages below do not reflect the \$132.5 million in MaineCare hospital settlements paid in the October 23, 2009 (17th) cycle but do reflect the one-time delay of hospital and long term care facility MaineCare payments from FY 2009 to FY 2010, required in PL 2009, c. 1. Accordingly, the weekly average of MaineCare payment cycles for FY 2010 through Week 38 was \$41.8 million (state and federal), a decrease from the Week 34 average of \$41.9 million. Further controlling for the one-time delay of the hospital and long term care facility MaineCare payments at the beginning of FY 2010, the average weekly cycles for FY 2010 through Week 38 would be \$41.1 million.

MaineCare Weekly Cycle Averages FY 09 and FY 10

FY 10 Through 3/19/2010 - Week 38 of 52



° FY 09 averages do not reflect the \$160.4 million in MaineCare hospital settlements paid in the May 8, 2009 (45th) cycle but do reflect the Week 47 cycle delayed and paid with the Week 48 cycle and the delay in hospital and long-term care payments until FY 10.

° FY 10 averages do not reflect the \$132.5 million in MaineCare hospital settlements paid in the October 23, 2009 (17th) cycle but do reflect the delayed FY 09 hospital and long-term care payments.

**MaineCare Update (continued)****MaineCare Caseload**

February 2010 MaineCare caseload data summarized below show a continued but somewhat moderated increase in MaineCare enrollment of 605 persons in February, with a cumulative increase of 15,693 persons (4.65%) over the last 12 months. The February increase follows monthly increases of 1,287 persons in January and 1,531 persons in December. While the overall MaineCare caseload increase over the last year has been driven by increases in the “traditional Medicaid” enrollment categories (i.e., adults and children receiving financial benefits such as TANF and IV-E Foster Care; aged and

disabled persons; and institutionalized persons), February’s “traditional Medicaid” enrollment declined by 905 persons. This decrease was offset by increases in the “Medicaid expansion” populations, with parents and children at or less than 150% of the federal poverty level increasing by 1,054 persons in February.

The non-categorical waiver population increased to 10,669 persons in January, an increase of 381 persons from January. Month to month fluctuations in caseload for this waiver population reflect DHHS decisions in managing new enrollment on a monthly basis to keep spending for the waiver within budgeted amounts.

MaineCare Caseload							
Month	Traditional Medicaid	SCHIP Medicaid Expansion	SCHIP "Cub Care"	Medicaid Expansion Parents ≤ 150% FPL	Non-Categorical Adults ≤ 100% FPL	Medicaid Expansion Parents >150% FPL	Total
2002 Avg.	174,962	8,597	4,209	13,756	1,349	0	202,873
2003 Avg.	195,664	8,142	4,734	14,019	14,738	0	237,298
2004 Avg.	203,608	9,397	4,502	16,414	21,138	0	255,058
2005 Avg.	209,817	10,130	4,159	18,301	19,875	2,016	264,298
2006 Avg.	212,842	10,289	4,518	18,790	14,670	4,998	266,106
2007 Avg.	215,763	9,909	4,524	19,010	20,060	5,490	274,756
2008 Avg.	217,214	9,513	4,524	18,273	14,276	5,582	269,381
2009 Avg.	226,423	9,590	4,801	18,976	10,673	5,857	276,320
Detail for Last 12 Months							
Mar-09	223,664	9,171	4,730	18,076	9,886	5,510	271,037
Apr-09	223,582	9,321	4,741	18,315	9,474	5,653	271,086
May-09	224,463	9,364	4,797	18,582	11,538	5,800	274,544
Jun-09	225,693	9,447	4,741	18,900	11,638	5,832	276,251
Jul-09	227,163	9,653	4,790	19,242	11,427	5,884	278,159
Aug-09	228,083	9,722	4,778	19,364	11,120	6,023	279,090
Sep-09	229,060	9,812	4,780	19,427	10,799	6,062	279,940
Oct-09	230,349	9,859	4,880	19,665	10,463	6,154	281,370
Nov-09	231,033	9,954	4,950	19,734	10,179	6,183	282,033
Dec-09	232,089	9,869	5,125	19,741	10,486	6,254	283,564
Jan-10	233,384	9,902	5,084	19,838	10,288	6,355	284,851
Feb-10	232,479	10,261	5,137	20,533	10,669	6,377	285,456
Changes:							
Latest month	-905	359	53	695	381	22	605
Last 12 Months	10,334	1,116	463	2,471	328	981	15,693
Eligibility Descriptions:							
<ul style="list-style-type: none"> • Traditional Medicaid includes adults and children in receipt of a financial benefit (TANF, IV-E); aged and disabled persons in receipt of a financial benefit (SSI, SSI Supplement), institutionalized persons (NF), and others not included below. • SCHIP (State Child Health Insurance Program) Medicaid Expansion Children (M S-CHIP) (effective July 1998) are children with family incomes above 125/133% and up to and including 150% of the Federal Poverty Level (FPL). • SCHIP "Cub Care" Children (effective July 1998) are children with family incomes above 150% and up to and including 200% of FPL. • Medicaid Expansion Parents are persons who function as the primary caretakers of dependent children and whose income is above 100% and up to and including 150% of FPL (effective September 2000); and beginning May 2005, up to and including 200% of FPL. • Non-Categorical Adults (effective October 2002) are persons who are over 21 and under 65, not disabled, not the primary caretakers of dependent children, and whose income is not more than 100% of FPL. 							

General Fund and Highway Fund Revenue
Fiscal Year Ending June 30, 2010
Reflecting Budgeted Amounts Through March 2010 Revenue Forecast

FEBRUARY 2010 REVENUE VARIANCE REPORT

Revenue Line	February '10 Budget	February '10 Actual	February '10 Var.	FY10 YTD Budget	FY10 YTD Actual	FY10 YTD Variance	FY10 YTD Variance %	FY10 Budgeted Totals
General Fund								
Sales and Use Tax	55,253,718	55,251,047.54	(2,670.46)	540,506,886	540,958,953.01	452,067.01	0.1%	883,839,994
Service Provider Tax	4,366,352	4,369,022.00	2,670.00	33,031,204	32,579,136.19	(452,067.81)	-1.4%	55,590,852
Individual Income Tax	24,274,494	24,274,494.25	0.25	779,650,355	779,650,353.08	(1.92)	0.0%	1,291,380,000
Corporate Income Tax	4,956,711	4,956,711.76	0.76	92,894,337	92,894,337.08	0.08	0.0%	147,718,716
Cigarette and Tobacco Tax	10,914,417	10,971,753.65	57,336.65	95,964,842	98,444,730.90	2,479,888.90	2.6%	140,139,902
Insurance Companies Tax	1,094,870	678,200.49	(416,669.51)	13,102,805	13,579,463.81	476,658.81	3.6%	71,985,000
Estate Tax	2,245,136	2,753,305.07	508,169.07	16,126,589	18,101,874.97	1,975,285.97	12.2%	29,593,253
Other Taxes and Fees	8,287,999	6,594,185.66	(1,693,813.34)	85,290,747	82,624,483.77	(2,666,263.23)	-3.1%	148,808,830
Fines, Forfeits and Penalties	2,603,889	2,775,906.54	172,017.54	21,805,270	22,023,751.42	218,481.42	1.0%	32,853,721
Income from Investments	8,848	10,059.91	1,211.91	185,161	186,097.17	936.17	0.5%	103,246
Transfer from Lottery Commission	3,810,323	4,294,931.95	484,608.95	33,340,363	34,483,543.85	1,143,180.85	3.4%	49,534,250
Transfers to Tax Relief Programs	(7,848,030)	(7,737,381.02)	110,648.98	(106,407,196)	(106,492,724.96)	(85,528.96)	-0.1%	(112,559,862)
Transfers for Municipal Revenue Sharing	(10,348,035)	(10,303,224.16)	44,810.84	(72,107,907)	(72,107,732.87)	174.13	0.0%	(101,487,142)
Other Revenue	5,271,367	3,587,206.12	(1,684,160.88)	13,717,278	16,963,217.83	3,245,939.83	23.7%	41,528,620
Totals	104,892,059	102,476,219.76	(2,415,839.24)	1,547,100,734	1,553,889,485.25	6,788,751.25	0.4%	2,679,029,380
Highway Fund								
Fuel Taxes	16,648,936	16,684,147.77	35,211.77	127,186,462	131,030,486.10	3,844,024.10	3.0%	220,305,526
Motor Vehicle Registration and Fees	7,363,114	7,547,280.49	184,166.49	47,639,889	48,525,406.56	885,517.56	1.9%	75,043,693
Inspection Fees	108,468	120,654.50	12,186.50	2,564,951	2,583,517.57	18,566.57	0.7%	3,896,915
Fines, Forfeits and Penalties	152,343	106,296.97	(46,046.03)	1,136,317	1,046,909.66	(89,407.34)	-7.9%	1,745,049
Income from Investments	7,718	7,718.24	0.24	89,623	89,623.02	0.02	0.0%	113,330
Other Revenue	532,089	533,399.82	1,310.82	6,308,715	6,258,540.30	(50,174.70)	-0.8%	8,387,253
Totals	24,812,668	24,999,497.79	186,829.79	184,925,957	189,534,483.21	4,608,526.21	2.5%	309,491,766

Comparison of Actual Year-to-Date Revenue Through February of Each Fiscal Year

REVENUE CATEGORY	FY 2006	% Chg	FY 2007	% Chg	FY 2008	% Chg	FY 2009	% Chg	FY 2010	% Chg
GENERAL FUND										
Sales and Use Tax	\$573,137,020.15	5.3%	\$594,863,904.93	3.8%	\$598,011,131.86	0.5%	\$574,667,917.72	-3.9%	\$540,958,953.01	-5.9%
Service Provider Tax	\$25,862,996.06	2.8%	\$28,245,379.76	9.2%	\$30,221,134.31	7.0%	\$31,304,837.92	3.6%	\$32,579,136.19	4.1%
Individual Income Tax	\$777,493,920.98	2.4%	\$825,887,462.40	6.2%	\$857,987,836.86	3.9%	\$866,170,115.80	1.0%	\$779,650,353.08	-10.0%
Corporate Income Tax	\$99,473,816.82	42.8%	\$87,862,161.25	-11.7%	\$88,530,977.26	0.8%	\$72,380,142.18	-18.2%	\$92,894,337.08	28.3%
Cigarette and Tobacco Tax	\$100,747,058.36	57.3%	\$106,272,944.56	5.5%	\$102,863,218.01	-3.2%	\$98,872,694.95	-3.9%	\$98,444,730.90	-0.4%
Insurance Companies Tax	\$13,197,945.87	-20.4%	\$13,399,164.86	1.5%	\$14,387,593.53	7.4%	\$13,107,073.17	-8.9%	\$13,579,463.81	3.6%
Estate Tax	\$54,014,724.35	184.3%	\$33,679,678.22	-37.6%	\$20,960,142.96	-37.8%	\$19,149,077.63	-8.6%	\$18,101,874.97	-5.5%
Other Taxes and Fees	\$77,407,315.28	5.8%	\$82,788,094.39	7.0%	\$80,637,135.20	-2.6%	\$80,211,457.62	-0.5%	\$82,624,483.77	3.0%
Fines, Forfeits and Penalties	\$22,785,360.52	3.8%	\$26,094,262.82	14.5%	\$29,011,590.55	11.2%	\$28,451,515.38	-1.9%	\$22,023,751.42	-22.6%
Earnings on Investments	\$4,212,416.38	48.3%	\$1,696,816.19	-59.7%	\$2,106,341.83	24.1%	\$1,394,900.66	-33.8%	\$186,097.17	-86.7%
Transfer from Lottery Commission	\$34,177,094.30	2.9%	\$33,558,940.83	-1.8%	\$32,512,585.01	-3.1%	\$33,149,299.60	2.0%	\$34,483,543.85	4.0%
Transfers to Tax Relief Programs	(\$100,612,643.85)	-310.6%	(\$90,284,949.10)	10.3%	(\$97,271,455.97)	-7.7%	(\$114,080,567.21)	-17.3%	(\$106,492,724.96)	6.7%
Transfers for Municipal Revenue Sharing	(\$70,143,110.63)	-10.2%	(\$68,775,271.93)	2.0%	(\$75,351,460.60)	-9.6%	(\$72,952,567.31)	3.2%	(\$72,107,732.87)	1.2%
Other Revenue	\$29,865,660.53	-65.3%	\$25,758,213.12	-13.8%	\$25,352,019.95	-1.6%	\$19,812,528.72	-21.9%	\$16,963,217.83	-14.4%
TOTAL GENERAL FUND REVENUE	\$1,641,619,575.12	0.9%	\$1,701,046,802.30	3.6%	\$1,709,958,790.76	0.5%	\$1,651,638,426.83	-3.4%	\$1,553,889,485.25	-5.9%
HIGHWAY FUND										
Fuel Taxes	\$131,128,246.34	-0.3%	\$133,405,167.33	1.7%	\$131,794,778.17	-1.2%	\$129,392,101.92	-1.8%	\$131,030,486.10	1.3%
Motor Vehicle Registration and Fees	\$53,281,775.23	4.9%	\$52,650,561.96	-1.2%	\$52,379,040.32	-0.5%	\$55,320,877.20	5.6%	\$48,525,406.56	-12.3%
Inspection Fees	\$2,870,855.89	3.5%	\$3,003,890.90	4.6%	\$2,876,853.20	-4.2%	\$2,331,586.83	-19.0%	\$2,583,517.57	10.8%
Fines	\$1,188,376.51	1.7%	\$1,167,222.88	-1.8%	\$1,178,494.53	1.0%	\$1,163,298.49	-1.3%	\$1,046,909.66	-10.0%
Income from Investments	\$1,025,119.04	72.9%	\$530,069.91	-48.3%	\$986,581.63	86.1%	\$361,589.15	-63.3%	\$89,623.02	-75.2%
Other Revenue	\$6,899,595.65	8.9%	\$6,874,030.14	-0.4%	\$7,132,870.16	3.8%	\$7,218,052.43	1.2%	\$6,258,540.30	-13.3%
TOTAL HIGHWAY FUND REVENUE	\$196,393,968.66	1.6%	\$197,630,943.12	0.6%	\$196,348,618.01	-0.6%	\$195,787,506.02	-0.3%	\$189,534,483.21	-3.2%

**Summary of General Fund "Shortfall" and Supplemental Budget - 124th Legislature, 2nd Regular
Net Increases (Decreases) to General Fund Balance in Millions of \$'s**

	FY 2010	FY 2011	Biennium
General Fund "Shortfall" - Beginning 2nd Regular Session	(\$231.7)	(\$206.7)	(\$438.4)
Initiative to Streamline State Government (PL 2009, c. 462)	\$16.3	\$13.7	\$30.0
March 2010 Revenue Revision	\$29.8	\$21.2	\$51.0
Other 2nd Regular Session Legislation (Primarily Dairy-related Bills)	\$0.5	(\$3.2)	(\$2.7)
General Fund "Shortfall" Before 2010-2011 Supplemental Budget	(\$185.1)	(\$175.0)	(\$360.1)
2010-2011 Supplemental Budget Bill (LD 1671 as amended)	\$185.2	\$175.2	\$360.4
General Fund Ending Balance after LD 1671 as enacted	\$0.12	\$0.25	\$0.25

Supplemental Budget Initiatives - Net General Fund Costs (Savings) in millions of \$'s

	FY 2010	FY 2011	Biennium
New and Pending Federal Stimulus (ARRA) Funding			
- Pending 6-month extension of enhanced Medicaid Match (FMAP)	\$0.0	(\$85.1)	(\$85.1)
- Extension of enhanced FMAP Medicare Part D "Clawback" payments	(\$11.7)	(\$16.1)	(\$27.8)
- Retroactive FMAP Increase	(\$7.5)	\$0.0	(\$7.5)
- ARRA Enhanced Foster Care IV-E Payments	(\$2.9)	(\$1.7)	(\$4.5)
Subtotal - New and Pending Stimulus (ARRA) Funding	(\$22.0)	(\$102.9)	(\$124.9)
Use of Reserves and Other Fund Balances			
- Retiree Health Insurance Reserves and Rate Reductions	(\$46.1)	(\$20.5)	(\$66.6)
- Salary Plan Reserve Transfer	(\$13.5)	\$0.0	(\$13.5)
- Maine Budget Stabilization Fund Transfers	\$6.1	\$7.1	\$13.2
- Additional Borrowing from Other Special Revenue Funds	(\$68.2)	\$68.2	\$0.0
- Lapsing Carrying Balances and Other Fund Transfers	(\$14.4)	(\$10.8)	(\$25.2)
Subtotal - Use of Reserves and Other Fund Balances	(\$136.1)	\$44.0	(\$92.1)
Net Changes to Funding to Local Government			
- Reductions to General Purpose Aid for Local Schools	(\$41.7)	(\$19.0)	(\$60.7)
- Reductions to Municipal Revenue Sharing	(\$5.6)	(\$9.3)	(\$14.9)
- Other Tax Program Reimbursements	\$0.0	(\$5.9)	(\$5.9)
- Additional County Correctional Funding	\$0.0	\$3.5	\$3.5
- Additional General Assistance Funding	\$0.9	\$1.5	\$2.3
Subtotal - Net Changes to Funding to Local Government	(\$46.4)	(\$29.3)	(\$75.7)
Other Net Changes to Health and Human Services (excluding Federal Stimulus/ARRA)			
Hospital-related MaineCare - Net Savings	\$0.0	(\$13.5)	(\$13.5)
MaineCare FY 2010 Supplemental Funding	\$37.2	\$0.0	\$37.2
Other MaineCare Savings/Reductions	(\$8.2)	(\$57.9)	(\$66.1)
Other MaineCare Spending	\$14.2	\$13.1	\$27.3
Other Health and Human Services - Net Savings	(\$5.9)	(\$6.7)	(\$12.6)
Subtotal - Other Net Changes to Health and Human Services	\$37.3	(\$65.0)	(\$27.6)
All Other Initiatives			
- Tax, Fee and Other Revenue Increases	(\$8.6)	(\$17.2)	(\$25.7)
- Debt Service Savings	(\$4.3)	(\$10.2)	(\$14.5)
- Public Higher Education Institutions	(\$7.9)	(\$0.5)	(\$8.4)
- All Other Net Spending (Savings) Initiatives	\$2.8	\$5.8	\$8.5
Subtotal - All Other Initiatives	(\$18.0)	(\$22.1)	(\$40.1)
Total Supplemental Budget Net Cost (Savings)	(\$185.2)	(\$175.2)	(\$360.4)